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Simon & Koerner LLP 10052 Pasadena Avenue, Suite B Cupertino, CA 95014			MARKS, CHRISTINA M	
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DATE MAILED: 06/15/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/904,385

Applicant(s)

RAVERDY ET AL.

Examiner

C. Marks

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 15 March 2004.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-42 and 44 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-42 and 44 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____.
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

DETAILED ACTION

Claim Rejections - 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 12 and 32 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. Upon review of the specification it does not appear to be disclosed that the players placing gambling wagers must be alternately related to the game and a live event. There is no such requirement disclosed in the specification that restricts live wagering to this format and thus the new limitation constitutes new manner, as it is not supported in the specification as originally filed.

Claim Rejections - 35 USC § 103

The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

Claims 1-3, 5-6, 9, 11-23, 25-26, 29, and 31-42 are rejected under 35 U.S.C. 103(a) as being unpatentable over Walker et al. (US Patent No. 5,779,549) in view of Walker et al. (US Patent No. 6,168,522) further in view of Peppel (US Patent No. 6,200,216).

Regarding claims 1 and 21, Walker et al. ('549) has created a system and a method for supporting a distributed electronic tournament (Abstract, line 1) or "electronic game" such as team play (Column 9, line 66), dexterity games (Column 10, line 13), golf (Column 10, line 33), trivia (Column 10, line 43), along with many other game formats that lend themselves to

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electronic online competition (Column 10, lines 9-11). This system comprises a central controller that serves as an event server that manages the tournament game services and provides restricted access to the game service over an electronic network only to users who have paid the required entry fee (Abstract, lines 4-9), thus restricting right of entry to the game not only in this manner but the system also prevents those players not qualified to play from participating in a certain tournament (Column 8, lines 55-56). Thus the restricted information is related to the particular game or event, the time and location of the event and the participants who are to play.

Furthermore, the system incorporates one or more user devices by means of I/O devices connected to the event server (Abstract, lines 1-4) and configured to communicate with the event server through a connection such as a wireless telecommunication network (Column 5, lines 21-22) thereby allowing one or more users to participate in the electronic gaming. As a means for a player to pay an entry fee, '549 has incorporated the ability to electronically communicate an electronic fund transfer, such as through funds from a bank account (Column 14, lines 52-57).

In US Patent No. 6,168,522, Walker et al. teaches that it would be desirable to allow fund or "ownership" transfer of balance between two parties for such reasons as two partners playing in a game and one runs out of credits (Column 5, lines 15-30). Walker et al ('522) allows the user, playing on a user device, to perform a trading transaction with another user device (Column 5, lines 31-35) wherein the transaction is conducted directly between a source device and a target device (Column 5, lines 31-35). The user device is transferring rights to an "electronic certificate" (as defined by Applicant to include any type of authenticated digital data for example a game prize, membership information, a coupon or an object for use in a particular game) that is non-monetarily based. In review of the specification, there is no direct definition

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for the term non-monetary, thus one of ordinary skill in the art would thus assign the broadest reasonable interpretation to mean not money thus encompassing credits, which are not monetary until the time in which the user wishes to cash them out into money. The prize can also be implemented as a game object for use in a particular computer game during electronic gaming as it is a credit that can be used in furthering play on the device and is implemented as the game object used to allow for further play.

The transfer described in Walker et al ('522) is essentially a gaming prize as it is a representation of the balance accrued as the user has played and won on the gaming device (Column 5, lines 15-45). With ownership transfer available between two parties, one could transfer part of their balance to the other to allow the other to continue play (Column 5, lines 15-29) without interruption. This balance is indicative of a prize as it represents a balance that is won by the player on the gaming device, thus it can represent prizes won in playing that device. Thus, the balance is an electronic representation of a prize won, as the balance can easily represent the same. Therefore by allowing this transfer of prize money, the transfer is indicative of a representation of a prize awarded as part of the game.

It would have been obvious to one of ordinary skill in the art at the time of invention to further the basic of funds transfer shown by '549 to the more advanced and elaborate fund transfer (and all features) of '522. By allowing users to not only transfer funds from a bank account as an entry fee, but also transfer funds from one another an entire new level of user-friendly convenience is added is incorporated into the system. By adding the teachings of '522 to '549, users would then have further capabilities of settling debts between one another, transferring funds to a team member during team play or transferring ownership rights obtained by winning a level of a game to another user for a variety of reasons. This transfer of balances and prizes as disclosed by '522 would especially be useful to the team embodiment disclosed in

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'549. By using the more advance funds transfer method of '522, users would be able to transfer funds and balances among team members having a common goal of victory. As disclosed by '522, it would be desirable to allow fund or "ownership" transfer of balance between two parties for such reasons as two partners playing in a game and one runs out of money. Thus, the incorporation of the functionality would be obvious to the disclosure of '549.

Furthermore, it would have been obvious to incorporate the functionality of providing a list of users to those who are currently active on the gaming system as shown in '522 in order to provide a means to allow active players to be able to "see" who is currently active to facilitate communication between said players and also allowing those who wish to transfer to "see" if their desired trading partner is currently active.

However, the combination of Walker et al. ('549) and Walker et al ('522) lacks allowing the users performing the transfer of the electronic certificate relating to a prize to negotiate the transfer before completing it.

Peppel discloses an environment wherein users can directly trade between one another "rights" to an electronic entity and negotiate the transfer between each other (Abstract). The method is used to enhance collecting, trading, and game playing (Column 3, lines 33-38) wherein the entities are essential and required in order to play the game. The entities have a plurality of data stored in them used in order to identify them (Column 3, lines 57-67; Column 4, lines 1-10). The entities are traded in an online environment wherein the trade can be accomplished through communication between users and wherein users can negotiate the trade (Column 8, lines 48-52). Peppel discloses that for something of value to be traded between two parties, negotiation is a part of agreeing upon a trade.

Based upon this disclosure of Peppel, it would have been obvious to one of ordinary skill in the art to incorporate a negotiation feature into the system as disclosed by Walker et al. ('549

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and '522). One of ordinary skill in the art would be motivated to make this incorporation in order to allow users to negotiate the trade and agree upon the trade before completing this as both systems involve the transfer of "rights" between two users. In application to the Walker et al patents, the '522 patent discloses the direct trading of electronic rights between partners. One of ordinary skill in the art would be motivated to incorporate the teachings of Peppel into the system of '522 so the users would be able to reach a complete agreement prior to completing the trade. An obvious agreement in application to the disclosure of '522 would be such as "if I provide you with these rights now, you agree to assist me at a later time if needed." Further, one of ordinary skill in the art would be motivated to incorporate the teachings of Peppel into the system of '549 in view of '522 as '549 allows a user the "right" to advance further into a competition. It would have been obvious to one of ordinary skill in the art based upon the teachings of '522 and Peppel that this right is a commodity and could be exchanged between users as it also, like the rights traded in Peppel, is merely digital data. Therefore, one of ordinary skill in the art would be motivated to allow the users to negotiate a price for this item, as it has no fixed, known value and its value is intrinsically tied to what it is worth to someone who wants it and what it is worth to someone who wants to profit from it, thus adding a negotiation as disclosed by Peppel would have been obvious to one of ordinary skill in the art as the right to advance further into the competition is essentially a particular type of "certificate" used in gaming wherein the "certificate" is representative of the ability to move on in a game and thus would represent an advantage or completeness and based upon the disclosure of Peppel, thus can be traded.

In regards to claims 2 and 22, '549 has defined said I/O devices as a video gaming console, a personal computer, or a handheld electronic device and the like (Column 5, lines 12-15).

In regards to claims 5, 6, 25, and 26, the listings provided are a generally accepted list of notoriously well-known parts and systems that a computer needs to function and perform their assigned tasks (such as the computers disclosed in the cited references) and would have been obvious to one of ordinary skill in the art to the combination of references disclosed above. Applicant even states in specification that these parts are only one embodiment (page 17, lines 17-18) and alternate embodiments may readily be implemented using various components and configurations in addition to, or instead of, those discussed in conjunction with the embodiment (page 17, lines 24-26) thus noting that the specifics of what comprises the device are not critical to the structural makeup. In reference to the components of the server memory, Applicant admits that this is only one embodiment of server memory (page 19, line 4-5) and alternate embodiments exist and may readily include various other components in addition to or in place of the components listed in the embodiment (page 13, lines 13-15). This admission notes that the specifics of what comprises the device are not critical to structural makeup and that all these parts listed are so well known in the art that they may be readily substituted for other similar parts. Thusly, they are not inherent for operation and their use would have been obvious to one skilled in the art at the time of invention. A skilled artisan would understand that user devices (computers) would have a display, a processor, memory, sound, I/O, software, operating systems, content, user information, logins, download modules, profile modules, access rights modules, video, data managers, game modules, and user communication modules. A reference computer having such these parts, for example, would be the notoriously well known PC, which has a display, processor, memory, sound, I/O, software, and OS that keeps content and user information where logins are required for access to specific applications. PCs also have the ability to download and keep a number of profiles relating to a number of users. These profiles also have access right controls dictating who can access what and each computer has video

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and data management and computers are known to be able to play games and allow user to communicate with others. Further, this non-criticality is only support for the fact that the specifics that comprise the device are not critical to the structural makeup and functionality of the device. Further, all of these parts and functions are so well known in the art that they may be readily substituted for other similar parts and/or functionality. Therefore, these non-critical parts are not inherent to the functional operation of the claimed invention and their use and implementation would have been obvious to one skilled in the art at the time of invention.

Regarding a certificate handling module and manager, a certificate repository, a certificate matching manager, and a trading module and manager, it would be obvious to a skilled artisan that to correctly apply the teachings of Peppel to the system using the gaming device, it would be apparent that such parts would be required in order to implement the functionality of the negotiation and trading disclosed in Peppel. Peppel discloses keeping profiles of the users and because trading occurs, it would be obvious a trading module and manager exists as well as a certificate handling module to properly assign the rights upon a trade and a repository where each user's certificates are stored. Peppel also allows players to search for certificates, thus a matching manager would also be required. Implementing these elements into a gaming machine would thus be obvious when applying the teachings of Peppel to the Walker et al. patents, as described above, in order to maintain the intention of the trading system.

In regards to claims 9 and 29, '549 details the utilization of user devices to access and register with said game service. The system allows the player to enter the game format that they prefer to play via the associate I/O device. This preference is the communicated to the central server, which registers the user. When the game is about to begin, the server sends a message to the player in order to remind the player that the game is about to begin, thus allowing the player to access the game at the desired time and not accidentally miss the event

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(Column 14, lines 3-9). Furthermore, '522 teaches that the server can provide a list of players who are currently using gaming devices on the network (Column 5, lines 39-41).

In regards to claims 11 and 31, '549 details the utilization of user devices to pay the entry fees that are required for participating in the tournament. '549 states the preferred embodiment includes steps responsive to payment of an entry fee by a player allowing the player to participate in a particular tournament via an associated I/O device (Column 6, lines 3-6).

In regards to claims 12 and 32, '549 also shows that tournaments may be held contemporaneously with a live event (Column 12, lines 50-51) thus incorporating gambling activities of the electronic gaming not only to tournaments but to real-time activity. Such gambling activities named are slot machines and poker tournaments (Column 12). '549 allows user to use user devices to place wagers to participate in a gambling event that can be associated with a live event and names slots and poker as such gambling activities. It is well known in the art, though not explicitly stated by '549, that a player can vary their wager in games, such as poker, depending on how they feel and the game situation. '549 discloses gambling in both contexts thus requiring alternation or allowing a player to alternately move between the two would have been in the scope of the disclosure as it is merely a design choice implemented by a programmer who would be motivated by the wants, needs and requirements for their system.

In regards to claims 13 and 33, '549 incorporates a prize system into the gaming environment. The central controller accesses the tournament database to retrieve the pre-established performance levels for the awarding of prizes. The central controller then reviews the performance levels of each player relative to the requirements for awarding prizes and then updates the winning player's database record to reflect that awards have been allocated to

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them. The central controller then distributes the prizes to the user (Column 7, lines 61-67: Column 8, lines 1-5). A prize is essentially a certificate as it represents something that has been won relating to the game.

In regards to claims 14 and 34, '522 teaches to allow the transfer procedure to utilize the source user device (gaming machine) to transfer the remaining amount or "certificate" to a remote or target gaming device (Abstract, lines 7-11).

In regards to claims 15 and 35, the Applicant defines a certificate repository module as effective means for storing, managing, and accessing certificates—otherwise, a database. '549 incorporates the usage of a database to store player information that is generated as the player participates in games. This includes information regarding player payments and "rights." When a payment is made, the player's record in the database is updated to reflect the change (Column 6, lines 51-55). Though, a database of user information is axiomatic to the proper function of '522 it is not disclosed. However, '522 does disclose that the gaming device the user is playing can be connected to a network to allow the user to access the account information, including the credits and certificates (Column 4, lines 6-10). That which is disclosed between these two arts in addition to what is well-known in the art dictates that it is obvious that '522 must use a database and that this database stores data about the user and the user may at anytime access their own data, including information about their assets or certificates.

In regards to claims 16, 17, 19, 20, 36, 37, 39, and 40, Peppel discloses that users locate and connect with one another when desiring a trade (Columns 7-8). Peppel also discloses that a negotiation can occur and obviously the negotiation relates to satisfactory trade terms for the trade and inherently each user will accept the terms before agreeing to and completing the trade (Column 8, lines 48-52). Once the users negotiate a trade, it would be obvious to the system of Peppel that the user purchasing the card would then be given the

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proper ownership rights and further because this transfer occurs online as negotiated through two users it would be a transfer between the source and the target. These features would also be obvious to the system of Walker et al. ('522 and '549) when applying the teachings of Peppel.

In regards to claims 18 and 38, it is notoriously well known in the art that transfers involving monetary amounts or gaming functions must be highly secured in order to protect the money and promote the integrity of the game. Peppel discloses embodying a password as a means for a lock and key to limit access to the "certificate." In the application of Peppel to the Walker et al. patents, it would have been obvious to one of ordinary skill in the art to make sure adequate security means are also available before allowing the transfer. It would thus be obvious, as it notoriously well known, that if proper means were not in place, they must be instituted before allowing the transfer to occur in order to protect the funds of the user and integrity of the gaming machine.

In regards to claim 41, '549 use both software and hardware to implement the method steps (Abstract, line 23-24). It is shown above that the main control operation of the central controller is managing the game and the main control operation of the I/O devices is communicating with the central control. '549 further incorporates the functionality of these devices as being performed by program instructions in stating that the control of the I/O devices and the central controller are typically incorporated into software code (Column 5, lines 63-65), thus allowing the system to be managed by and communicated with through software. Further, it is notoriously well known in the art that the functionality of gaming machines and systems are stored on memory and carried out via program instructions used to control the system.

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In regards to claim 42, the stated means in Walker et al. for managing a game service is that of the said central controller and the means for communicating with said controller is that of said user I/O devices.

Claims 4 and 24 are rejected under 35 U.S.C. 103(a) as being unpatentable over '549 in view of '522 further in view of Peppel (US Patent No. 6,200,216) further view of Wiltshire et al. (US Patent No. 6,409,602).

What '549, '522, and Peppel disclose, teach, and/or suggest has been discussed above and is incorporated herein.

It is well known in the art to use combinations of LAN and Internet to access a server from a remote terminal. In solidifying this point, Wiltshire et al. (US Patent No. 6,409,602) teaches that communications pathways for a computer gaming system can be any combination (therefore including all direct and indirect paths) of electrical cables, optical fibers, RF links, IR links, and protocol interfaces such as LAN and WAN (Column 4, lines 1-3). Wiltshire et al. further includes global communication pathways, the Internet and the World Wide Web (Column 5, lines 31-32). Because it is well known in the art how information travels along a network and with the teachings of Wiltshire et al., it would have been obvious to one skilled in the art at the time of invention to incorporate the versatile and combination networks of Wiltshire et al. to the wireless networks of '549 and the transferring capability of '522 to create various means in which to construct a network and transfer rights between users while retaining the convenience of portability with a wireless base. Further, placing restrictions on the types of communication allowed on a network is also well known in the art. Thus, the limitation of allowing the devices to alternately communicate with the server would have been an obvious design choice to a skilled artisan in order to prevent a simultaneous communication wherein the information may become

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crossed. As the device of Peppel is a negotiation, such a restriction would be obvious to properly mimic a live negotiation where each party presents and listens to the other.

Claims 7 and 27 are rejected under 35 U.S.C. 103(a) as being unpatentable over '549 in view of '522 further in view of Peppel (US Patent No. 6,200,216) further view of Horstmann et al. (US Patent No. 5,947,825).

What '549, '522, and Peppel disclose, teach, and/or suggest has been discussed above and is incorporated herein.

'549 provides means for users to register for the game of their choice by communicating through the I/O device to the central controller of the game service (Column 14, lines 3-5). The central controller of the game service manages the tournament (Abstract, line 4). In US Patent No. 5,947,825 Horstmann et al. teaches that in a system of interconnected video games a players auditory senses can be stimulated by incorporating a microphone into each user device in which the player may talk bi-directionally with other players and a pair of loudspeakers in which the player will be able to hear (Column 1, lines 49-51). Furthermore, '549 also shows of a way to credit user accounts when they have been awarded prizes based upon meeting a certain set of pre-selected requirements. The central controller accesses the tournament database to retrieve the pre-established performance levels for the awarding or prizes. The central controller then reviews the performance levels of each player relative to the requirements for awarding prizes and then updates the winning player's database record to reflect that awards have been allocated to them. The central controller then distributes the prizes to the user. (Column 7, lines 61-67: Column 8, lines 1-5). Finally the event server of '549 is capable of receiving uploads from user devices in the sense that they can upload certificates from bank

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accounts or credit cards in order to assure that they will be allowed to participate in said tournament (Column 7, 10-15).

It would also be obvious to one skilled in the art at the time of invention to incorporate the communication system described by Horstmann et al. to the basic communication of simple transfers as taught by '522 to the overall gaming system shown by '549. One of ordinary skill in the art would be motivated to do this in order to bring a more sophisticated level of communication between gaming users in which they could actively talk in real time, thus speeding up the process of any pending transaction, such as a trade, yet still be able to remotely, without having to actually meet face-to-face.

Claims 8 and 28 are rejected under 35 U.S.C. 103(a) as being unpatentable over '549 in view of '522 further in view of Peppel (US Patent No. 6,200,216).

Peppel teaches that the data in a gaming card should have the following properties in order to support authenticity (Column 5, lines 10-12): header information that serves as a certification description that includes identification and authentication information (Column 5, lines 14-16) wherein the authentication information includes security information with means to exclude unauthorized persons from accessing the certificate (Column 5, lines 14-17) and data that is related to electronic gaming (Column 5, lines 29-31). The card also axiomatically possesses owner information, thus providing to ownership rights, as it is disclosed that the card is associated with the owner when it comes under certain queries (Column 8, lines 50-55).

Peppel does not disclose that the certificate includes information relating to usage and transfer history. Walker et al. ('522) discloses that it is desirable that in order to prevent erroneous transfers, the source and remote device communicate data regarding the transfer to each other (Column 5, lines 45-57). This data is indicative transfer and usage history as it

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shows the amount transferred (Column 5, line 50) indicating the usage of the certificate was indeed for monetary purposes as well as identifying the machine (Column 5, lines 51) from which and to whom the transfer is associated with. As disclosed by Walker et al ('522) this data is sent along with the "certificate" in the transfer. Peppel teaches that in order to authenticate a digital certificate, it is advantageous to store the data relating to the certificate within the certificate and discloses that the certificate should include pointers and a writeable area in order to associate with related data (Column 3, lines 55-67; Column 4, lines 1-10).

It would have been obvious to one of ordinary skill in the art at the time of invention to incorporate the transfer history and usage data sent along with the trade as disclosed by Walker et al. ('522) as data in the certificate as disclosed by Peppel. One of ordinary skill in the art would be motivated to incorporate the data into the certificate as disclosed by Peppel as it would provide for all of the data in a single transmission thus reducing the risk of losing or crossing data. Further, one of ordinary skill in the art would be motivated to store the data relating to the certificate within the certificate in order to provide better authentication as disclosed by Peppel.

Claims 10 and 30 are rejected under 35 U.S.C. 103(a) as being unpatentable over '549 in view of '522 further in view of Peppel (US Patent No. 6,200,216) further in view of Horstmann et al. (US Patent No. 5,947,825).

What '549, '522, and Peppel disclose, suggest, and/or imply has been discussed above and is incorporated herein.

In US Patent No. 5,947,825, Horstmann et al. teaches that in a system of interconnected video games a players auditory senses can be stimulated by incorporating a microphone into each user device in which the player may talk bi-directionally with other players and a pair of loudspeakers in which the player will be able to hear (Column 1, lines 49-51). Furthermore,

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Applicant states in specification for own invention that sound module may preferably include a headset device to be worn by user thus implying that the usage of the headset is non-critical and only preferable thus the substitution for a loudspeaker would have been obvious to one skilled in the art.

It would also be obvious to one skilled in the art at the time of invention to incorporate the communication system described by Horstmann et al. to the basic communication of simple transfers as taught by '522 and gaming system shown by '549 to bring a more sophisticated level of communication between gaming users in which they could actively talk in real time, thus speeding up the process of any pending transaction, such as a trade, yet still be able to remotely, without having to actually meet face-to-face. Further, this communication would be only to selected ones of the users, as that is the intention of the base references, to communicate with a user to negotiate a transfer, thus this intention would not change when incorporating the Horstmann et al. teachings.

Response to Arguments

Regarding the Applicant's argument that the Examiner's assertion that modification of the devices of '549 and '522 according to the teachings of Peppel would produce the claimed invention, the Examiner asserts that the argument is conclusionary as it fails to cite reasons why the combination does not produce the claimed invention. The argument does not address the positions presented by the Examiner as to why obviousness is established. The argument only asserts that the combination would not produce the claimed invention and therefore the obviousness rejection is improper.

Regarding the Applicant's argument that an "electronic certificate that represents a prize" is substantially different from a current balance, the Examiner respectfully disagrees. The Examiner maintains that the balance is indeed indicative of a prize as it represents a balance

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that is won by the player on the gaming device, thus it can represent prizes won in playing that device. Thus, the Examiner maintains that the balance is not substantially different from an electronic representation of a prize won, as the balance can easily represent the same. In response to the Applicant's argument that sharing funds is not the same as transferring ownership rights, the Examiner respectfully disagrees. One of ordinary skill in the art would understand that when one party provides money to another party in order to share funds, the providing party is no longer entitled to that money and thus has transferred the ownership and use rights of that money to the second party.

Regarding the Applicant's arguments that the electronic trading cards of Peppel are not the electronic certificate as claimed by Applicant, the Examiner respectfully disagrees. The teachings of Peppel are geared towards the transfer of ownership rights for an electronic entity between two parties. Though the exact natures of the electronic entities are not identical, the teachings garnished from Peppel are used to support facets of transferring ownership rights of an electronic property between two users, not the actual card itself. The Examiner maintains that these teachings are not limited solely to electronic trading cards, but that a skilled artisan would view them as geared towards electronic entities as a whole.

Regarding the Applicant's argument that the environment of Peppel contrasts trading directly, the Examiner maintains that even though Peppel discloses using an online environment, that the transaction is still directly conducted between the two users, as there is no middle entity taking part in the negotiation. Further, even though an online environment is described, such a feature would not preclude a skilled artisan from using other known means of communication between devices, such as direct communication via other known mediums.

Regarding the Applicant's argument that the means plus function language of claim 42 would not be obvious as for the reasons outline before, the Examiner respectfully disagrees as

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per the arguments presented above relating to the elements in the claimed invention. Further, even though Applicant's submit that there are substantial differences between the teachings of the references and the Applicant's invention disclosed in the specification, the argument is not convincing as the Applicant is reminded it is the language of the claims that is evaluated on the merits, not the language of the specification.

Regarding the Applicant's argument that the references fail to teach users using the devices to place wagers wherein the wagers can vary, the Examiner respectfully disagrees. '549 allows user to use user devices to place wagers to participate in a gambling event that can be associated with a live event and names slots and poker as such gambling activities. It is well known in the art, though not explicitly stated by '549, that a player can vary their wager in games, such as poker, depending on how they feel and the game situation.

Regarding the Applicant's argument that the cited references fail to teach "downloading appropriate security software from the server", the Examiner respectfully disagrees and submits the argument is conclusionary as it merely makes the ascertain of such without addressing the points relating to such presented by the Examiner. Specifically the Examiner maintains, as stated in the prior office action, that it is notoriously well known in monetary transfers that the transfers must be secured and Peppel indicates such. It would thus been obvious to institute such precautions before allowing the transfer in order to protect the integrity of the gaming machines and the funds of the user. Thus, a skilled artisan would understand that if such precautions were not in place, it would be obvious to download them in order to meet the regulations stated above and one of ordinary skill would be motivated to do so in order to protect the interests of both the user and the casino which is desirable for a number of reasons. For example, by protecting the interests, the consumer would feel confident in submitting their information and thus would feel comfortable using the system wherein without such precautions,

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consumers would be hesitant and may just shy away from using the system, thus costing the casino business it very well would have maintained had the proper security software been available.

Regarding the Applicant's argument that the cited references fail to teach "updating the certificate to reflect a change in ownership rights", the Examiner respectfully disagrees and submits the argument is conclusionary as it merely makes the ascertain of such without addressing the points relating to such presented by the Examiner. Specifically, the Examiner maintains, as stated in the prior office action, that when a transfer occurs it would be obvious to the system of Peppel that the user purchasing the card would then be given the proper ownership rights, thus updating the rights, as a skilled artisan would recognize that without doing so, the rights would not reflect the correct owner.

Regarding the Applicant's argument that the cited references fail to teach "direct transfer path passing directly from said source user to target user", the Examiner respectfully disagrees and submits the argument is conclusionary as it merely makes the ascertain of such without addressing the points relating to such presented by the Examiner. Specifically, the Examiner maintains, as stated in the prior office action, that it is a direct transfer path passing directly from the source to a target as even though it is online, there is not a mediated middle, and communication occurs between two users and when negotiated, the transfer is from the source party to a target party.

In response to the Applicant's argument that the examiner repeatedly listed elements as non-critical and thus the rejections are improper (page 10, lines 1-5), the examiner acknowledges that many items were noted as being non-critical in the office action. However, the non-criticality is only support for the fact that the specifics that comprise the device are not critical to the structural makeup and functionality of the device. Further, all of these parts are so

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well known in the art that they may be readily substituted for other similar parts. Therefore, these non-critical parts are not inherent to the functional operation of the claimed invention and their use would have been obvious to one skilled in the art at the time of invention. Applicants have never made any expressed representations in the drafting of the disclosure of what exactly the user device consists of. The words the Applicant has used to describe the invention have implicit representations dictating what elements are critical and non-critical, i.e. the use of permissive language for certain elements. The specification states that the user device may include a listing of parts but may include more. Criticality is a facet in the inquiry given by Graham v. John Deere with respect to ascertaining the differences between the prior art and the claimed invention. This has been further detailed above in the rejection and the Examiner provided the examples requested by the Applicant.

In response to the Applicant's argument that the examiner repeatedly states that various claimed limitations are "well known" and appears to be taking Official Notice without expressly stating so (page 10, lines 9-11), the examiner reminds the Applicant that the examiner is not required to expressly use the term Official Notice (see MPEP 2144.03). Furthermore, in order for a challenge to the taking of Official Notice to be persuasive, said challenge must contain adequate information or argument to create on its face a reasonable doubt regarding the circumstances justifying the Official Notice (see MPEP 2144.03). In the instant case, Applicant specifically noted that sufficient "reasonable doubt" would be present in the fact that it would not be well known to provide a gaming device with the claimed "profile module", "certificate handling module", or "trading module." The Examiner respectfully disagrees and is of the opinion that when a skilled artisan would apply the teachings of Peppel to the system using the gaming device, it would be obvious that such parts would be required in order to implement the functionality of the negotiation and trading in Peppel. Peppel discloses keeping profiles of the

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users and because trading occurs, it would be obvious a trading module exists as well as a certificate handing module to properly assign the rights upon a trade. Implementing these elements into a gaming machine would thus be obvious when applying the teachings of Peppel in order to maintain the intention of the trading system.

Regarding Applicant's argument that claims 4 and 24 are patentable, as they depend on claims 1 and 21, the Examiner states that the Applicant's arguments regarding claims 1 and 21 have been addressed above and therefore the assertion that dependent claims are patentable because of the above issues in the independent claims is not persuasive.

Regarding Applicant's argument that claims 7 and 27 are patentable, as they depend on claims 1 and 21, the Examiner states that the Applicant's arguments regarding claims 1 and 21 have been addressed above and therefore the assertion that dependent claims are patentable because of the above issues in the independent claims is not persuasive.

In response to applicant's argument that the examiner's conclusion of obviousness relating to the certificate usage and transfer history is based upon improper hindsight reasoning, it must be recognized that any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning. But so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made, and does not include knowledge gleaned only from the applicant's disclosure, such a reconstruction is proper. See *In re McLaughlin*, 443 F.2d 1392, 170 USPQ 209 (CCPA 1971). The Examiner stated that motivation does exist, as it would provide all data in a single transmission. While this may be an advantage the Applicant recognizes, it is also within the knowledge of an ordinarily skilled artisan that reducing the amount of transmissions over a network is desirable as is providing a device with all information at once, instead of in bursts. A skilled artisan recognizes the advantages of this lie in reducing the amount of transmissions

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required over the network, thus limiting traffic, as well as the teachings shown by Walker that it is desirable to provide all the information in order to prevent erroneous transfers as well as reasons taught by Peppel in order to provide better authentication.

Regarding the Applicant's argument that the cited references fail to teach "performing bi-directional communication only to said selected on of users by audio headsets", the Examiner respectfully disagrees and submits the argument is conclusionary as it merely makes the ascertain of such without addressing the points relating to such presented by the Examiner. Specifically, the Examiner maintains, as stated in the prior Office Action that Horstmann et al. disclose audio headset transfers. Thus, one would be motivated to implement these audio headsets to bring a more sophisticated method of communication where participants could actively talk in real time, thus speeding up the process. This communication would be only to selected ones of the users, as that is the intention of the base references, to communicate with a user to negotiate a transfer, thus this intention would not change when incorporating the Horstmann et al. teachings.

Regarding Applicant's argument that claim 44 is patentable, the Examiner respectfully disagrees. The user device is transferring rights to an "electronic certificate" (as defined by Applicant to include any type of authenticated digital data for example a game prize, membership information, a coupon or an object for use in a particular game) that is non-monetarily based. In review of the specification, there is no direct definition for the term non-monetary, thus one of ordinary skill in the art would thus assign the broadest reasonable interpretation to mean not money thus encompassing credits, which are not monetary until the time in which the user wishes to cash them out into money. The prize can also be implemented as a game object for use in a particular computer game during electronic gaming as it is a credit

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that can be used in furthering play on the device and is implemented as the game object used to allow for further play.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to C. Marks whose telephone number is (703)-305-7497. The examiner can normally be reached on Monday - Thursday (7:30AM - 5:30 PM).

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Derris Banks can be reached on (703)-308-1745. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



cmm
June 10, 2004



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PRIMARY EXAMINER**